

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20054**

In the Matter of	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Changes to the Board of Directors	)	CC Docket No. 97-21
of the National Exchange Carrier	)	
Association	)	
_____	)	

**APPEAL OF DECISIONS OF THE UNIVERSAL SERVICE ADMINISTRATIVE  
COMPANY CONCERNING SBC COMMUNICATIONS REVISION TO FORM 499-A  
AND APPLICATION OF CHARGES**

Pursuant to section 54.719 of the Commission's rules, 47 C.F.R. § 54.719, SBC Communications Inc., on behalf of its wholly-owned subsidiaries Ohio Bell Telephone Company, Michigan Bell Telephone Company, and Indiana Bell Telephone Company (collectively "SBC"), respectfully requests that the Commission reverse the September 9, 2004, decisions of the Universal Service Administrative Company ("USAC") to reject revised FCC Form 499-As for 2000 and 2001 (reporting revenues for 1999 and 2000) filed on behalf of each of the foregoing telephone companies on June 24, 2004.<sup>1</sup>

**I. BACKGROUND AND RELEVANT FACTS**

On June 24, 2004, SBC submitted revised FCC Form 499-As from 1999 through 2002 (reporting revenues from 1999 through 2001) for each of the five Ameritech Operating Companies, including Illinois Bell Telephone Company (Illinois Bell), Filer ID 803214 (for 1999 and 2000 only); Indiana Bell Telephone Company (Indiana Bell), Filer ID 803217; Michigan

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<sup>1</sup> Copies of each of USAC's decisions are attached hereto as Exhibit 1. Copies of each of the revised 2000 FCC Forms 499-A and 2001 FCC Forms 499-A are attached hereto as Exhibit 2.

Bell Telephone Company (Michigan Bell), Filer ID 803220; Ohio Bell Telephone Company (Ohio Bell), Filer ID 803223; and Wisconsin Bell Telephone Company (Wisconsin Bell), Filer ID 803226, to correct various errors on those companies' Form 499-As, which resulted from errors in the way those companies booked certain revenues in those years. First, as SBC explained in its "Explanation for Revisions to Forms 499," Indiana Bell, Michigan Bell, Ohio Bell and Wisconsin Bell erroneously included certain revenues received as universal service support from either the relevant state or federal government in interstate end user revenues in their original 499-As, incorrectly inflating their contribution bases. SBC reported that Indiana Bell, Michigan Bell and Ohio Bell made this error for 1999 through 2002, and that Wisconsin Bell made this error in 2002 only.<sup>2</sup>

Second, in 2001 and 2002, Indiana Bell, Michigan Bell, Ohio Bell and Wisconsin Bell erroneously reported USF surcharge revenues on line 308 of Form 499-A, and therefore excluded it from interstate end user revenue, incorrectly understating these companies contribution bases for those years.<sup>3</sup> Third, in 1999 and 2000, Indiana Bell, Michigan Bell, Ohio Bell and Wisconsin Bell erroneously included "Carrier" late payment charges in interstate end user revenues, incorrectly inflating their contribution bases.<sup>4</sup> Finally, all five Ameritech Operating Companies incorrectly classified PIC change charges – overstating the contribution bases for four of the companies, and understating it for the fifth. SBC reported that Illinois Bell, Ohio Bell and Wisconsin Bell made these errors in 1999 and 2000, and Indiana Bell and Michigan Bell made these errors in 1999 only.<sup>5</sup>

As SBC explained in its submissions to USAC, the foregoing errors resulted in overstatements and understatements of Interstate Gross Billed Revenue (Line 419d) and the

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<sup>2</sup> See Explanation for Revisions to Form 499, attached to Exhibit 2.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

Universal Service Contribution Base (Lines 420a and 420d) for the Ameritech Operating Companies for the years in question, which resulted in a net underpayment by all the Ameritech Operating Companies of \$2.8 million.<sup>6</sup> Accordingly, SBC submitted concurrently with its revised Form 499-As a payment of \$2.8 million to correct the net underpayment.

On September 9, 2004, USAC sent letters to Michigan Bell, Indiana Bell and Ohio Bell, notifying them that it was rejecting six of the 18 revised 499-As for the years in question; it accepted the other 12 revised forms. Upon review of these letters, it became clear that USAC accepted the 12 revised Form 499-As that resulted in net underpayments to USAC by the affected companies, and only rejected the six revised forms that showed a net overpayment in universal service contributions by the affected companies (which were revised Form 499-As for 1999 and 2000 for Michigan Bell, Indiana Bell, and Ohio Bell), and which would have resulted in a credit for those companies. Subsequently, it also became clear that USAC had included in contribution bills for Michigan Bell, Indiana Bell and Ohio Bell the net overpayment amounts for 1999 and 2000 (which totaled \$1,957,399), which SBC had deducted in calculating the net underpayment by all Ameritech Operating Companies of \$2.8 million for 1999 through 2002. In other words, USAC accepted revisions that resulted in additional USF contribution payments to USAC, including revisions that resulted in additional contribution payments by Michigan Bell, Indiana Bell and Ohio Bell for 2001 and 2002, but rejected revisions that would have resulted in credits to those same companies. USAC's stated basis for rejecting the six revised Form 499-As that would have resulted in credits to the affected companies was that the revisions were not submitted within one year of the original submission.

### **III. ARGUMENT**

USAC's rejection of the six revised Form 499-As that would have resulted in credits to Michigan Bell, Indiana Bell and Ohio Bell for 1999 and 2000 was improper for three reasons:

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<sup>6</sup> *Id.* The amount of each change by year and filing entity were detailed in a schedule of revisions to the companies' FCC Form 499As, which was prepared by SBC and is attached hereto as Exhibit 3.

(1) USAC's refusal to accept the revisions exceeds its authority; (2) its acceptance of forms that result in additional contributions and rejection of forms that result in credits is arbitrary and an abuse of discretion; and (3) USAC's rejection is bad policy. The Commission therefore should direct USAC to accept the revised Form 499-As for 2000 and 2001 (reporting revenues from 1999 and 2000) submitted for Michigan Bell, Indiana Bell and Ohio Bell, and to credit those companies for overpayments of USF contributions during those years.

**A. USAC Lacks Authority To Impose A One-Year Limit on Submitting Evidence of an Overpayment**

Section 254 of the Communications of Act (the "Act") generally provides for the equitable and nondiscriminatory contribution by telecommunications carriers to mechanisms established by the Commission and the Federal-State Joint Board to preserve and advance universal service.<sup>7</sup> Although not required by the Act, the Commission established USAC to administer the Universal Service Fund ("USF") and other universal service support programs.<sup>8</sup>

USAC does not possess any authority to create substantive rules or policies governing the USF and other universal service support programs. As the Commission has made clear, it retains full authority and control over USF programs, and USAC at all times remains subject to FCC oversight.<sup>9</sup> The Commission also has made clear that the responsibilities delegated to USAC are narrowly circumscribed, and "exclusively administrative."<sup>10</sup> In particular, sections 54.702(a) and (b) of the Commission's rules provide that USAC is responsible for administering USF

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<sup>7</sup> 47 U.S.C. § 254.

<sup>8</sup> See *Changes to the Board of Directors of the National Exchange Carrier Association, Inc. and Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, *Third Report and Order and Fourth Order on Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45*, 13 FCC Rcd 25058, 25064-66 at ¶¶ 12, 14 ("1998 Joint Board Order").

<sup>9</sup> See *In the Matter of Federal State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776, 9192 at ¶¶ 813-815 (1997) ("1997 Joint Board Order"); *1998 Joint Board Order* at ¶ 14; see also 47 U.S.C. § 254, *et seq.*

<sup>10</sup> *1998 Joint Board Order* at ¶ 16 (responding to comments of BellSouth, Sprint, and US WEST).

programs, including billing, collection and disbursement of USF funds.<sup>11</sup> And section 54.702(c) provides that USAC's functions do not include "mak[ing] policy, interpret[ing] unclear provisions of the statute or rules, or interpret[ing] the intent of Congress," and directs USAC to "seek guidance from the Commission" "where the Act or the Commission's rules are unclear, or do not address a particular situation."<sup>12</sup>

Despite the Commission's express and clear prohibition against USAC's establishing policy, it has done just that in this case. In rejecting SBC's revisions to the Form 499-As of Michigan Bell, Indiana Bell and Ohio Bell for 2000 and 2001, USAC specifically relied on its policy of limiting the period for carrier-initiated adjustments to USF submissions. That policy was adopted by USAC's Board of Directors on July 27, 1999, acting on its own purported authority. According to an Action Item entitled, "Recommended Deadline for True-Up of Form 457," USAC's staff recommended the following to the Board:

"[b]eginning with the September 1, 1999, data submission; carrier initiated requests for changes in reported revenues be limited to 12 months . . . . Changes to prior submissions as a result of an audit of a carrier's revenue reported on the Form 457 would not be impacted by the proposed limitation."<sup>13</sup>

USAC's staff offered the following rationale to support adoption of the recommendation:

"Historically, USAC has accepted any changes in revenue information reported by telecommunications service providers, regardless of when the changes were reported. It is becoming increasingly burdensome administratively to continue accepting revisions to reported revenue information indefinitely . . . . Each time a change is reported that affects end-user billed revenue, it necessitates revising the service provider's billed amounts for the period impacted by the change."<sup>14</sup>

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<sup>11</sup> 47 U.S.C. §§ 54.702(a)-(b).

<sup>12</sup> 47 C.F.R. § 54.702(c).

<sup>13</sup> The specific resolution stated, "RESOLVED, That the USAC Board of Directors directs staff to no longer accept carrier initiated requests for changes in revenues reported on prior FCC Form 457 beyond 12 months from the initial submission of the Form in question." *See Action Item # aBOD05*.

<sup>14</sup> *Id.*

USAC's adoption of that policy was unauthorized and inappropriate.

First, even if USAC's one-year limit for accepting corrected USF filings were justified – which it is not – such a limit could not be adopted by USAC. Rather, such a rule would require action by the Commission, following notice and comment rulemaking procedures. A one-year limit is more than a mere administrative or organizational measure. It is a decisional rule that directly affects contributors and the USF as a whole. In SBC's case, the imposition of USAC's policy denied SBC of credit for almost \$2 million in overpayments to the USF for the affected companies in 1999 and 2000. USAC's adoption of that rule thus plainly exceeds its authority under the Commission's rules. Moreover, insofar as interested parties were not afforded notice and any opportunity to comment on that rule before it was adopted, and also had no opportunity to seek review of that rule, adoption of that rule also violates the Administrative Procedures Act and basic notions of due process under the Fifth Amendment of the U. S. Constitution.

Second, USAC's one-year policy also conflicts with the Commission's rules, which expressly contemplate that refunds will be given, without consideration of any time limit. In particular, section 54.713 of the Commission's rules states that, "[o]nce a contributor complies with the Telecommunications Reporting Worksheet filing requirements, the Administrator may refund any overpayments made by the contributor, less any fees, interests, or costs."<sup>15</sup> The Commission's rules thus provide that USAC *will provide refunds* to contributors. USAC simply cannot adopt a rule that conflicts with the express intent of the rules by refusing to accept revisions that would credit SBC for overpayments to the USF.

Third, USAC's rationale for adopting the policy does not justify the rule. USAC adopted the rule to avoid "administrative burdens." But section 54.713 of the Commission's rules specifically authorizes USAC to recover the costs of administrative tasks. Consequently, USAC's policy is plainly unnecessary.

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<sup>15</sup> 47 C.F.R. § 54.713

**B. USAC's Policy is Arbitrary And An Abuse of Discretion**

USAC's policy also is manifestly arbitrary, capricious, and unfair, and thus an abuse of discretion. As an initial matter, its policy is striking in its asymmetry. USAC's policy narrowly constrains a carrier's ability to revise its Form 499-As to accurately reflect a contributor's revenues if doing so would result in a reduction in that carrier's contribution base and thus a credit for overpayments to the universal service fund. At the same time, however, USAC applies no corresponding limit to its own ability to conduct audits, require revisions to reported revenues, and collect underpayments if doing so would increase a carrier's contribution base, and thus its contributions to the fund. It is patently unfair for USAC to have such unequal and limitless discretion to recover revenues from carriers, while strictly limiting the ability of carriers to obtain refunds.

USAC has justified its policy in part on the ground that there are few indicia of reliability in Form 499 revisions beyond the one-year deadline. However, USAC cannot have it both ways. If there are sufficient indicia of reliability for USAC to recover under-payments after one-year, there also must be the same level of reliable indicia to identify over-payments and make refunds to a carrier, as the Commission's rules contemplate.<sup>16</sup>

**C. USAC's Decision Is Bad Public Policy**

USAC's policy also would encourage carriers not to correct errors in reported revenues on their Form 499-As. To date, carriers have reported revenues to USAC with the expectation that they will receive credit for overpayments if they discover that they have over-reported revenues and made excess contributions.<sup>17</sup> If USAC's policy stands, carriers will be reluctant to

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<sup>16</sup> By analogy, the United States Internal Revenue Code permits taxpayers to file any claim for a refund within three years, 26 U.S.C. § 6511(a); and correspondingly subjects the Internal Revenue Service ("IRS") to a general three year statute of limitations for filing suit for a deficiency assessment, 26 U.S.C. § 65019(a).

<sup>17</sup> *Federal-State Joint Board on Universal Service, Petition for Reconsideration filed by AT&T*, CC Docket No. 96-45, *Report and Order and Order on Reconsideration*, 16 FCC Rcd 5748, 5752 at ¶12 (2001).

make any revisions to their Form 499-As to correct honest mistakes for fear that they will be liable for any underpayments but receive no credit for overpayments, undermining the integrity of the program.

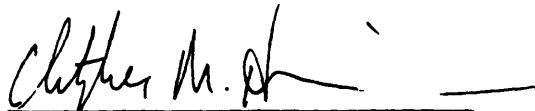
USAC's policy also would result in substantial over-collection of USF contributions from certain carriers, contrary to the equitable and non-discriminatory requirement in section 254. In the case of SBC, which voluntarily came forward to revise its Form 499-As for 1999 through 2002 and pay \$2.8 million in contributions that it erroneously failed to make due to errors on those forms, USAC's policy would require SBC to contribute almost \$2 million more than it was required to contribute based on its actual revenues. If USAC's policy remains in effect, it will result in significant over-payments of USF contributions over time. Failure to account for these over-payments will distort the program, again contrary to the express statutory requirement that any USF support mechanisms be equitable and non-discriminatory.

#### IV. CONCLUSION

In light of the foregoing, SBC respectfully requests that the Commission direct USAC to accept the revised Form 499-As for 2000 and 2001 (reporting revenues from 1999 and 2000) submitted for Michigan Bell, Indiana Bell and Ohio Bell, and to credit those companies for overpayments of USF contributions during those years.

Respectfully submitted,

SBC COMMUNICATIONS INC.



CHRISTOPHER M. HEIMANN

GARY L. PHILLIPS

PAUL K. MANCINI

1401 I Street, N.W.  
Washington, D.C. 20005  
(202) 326-8909. *Phone*  
(202) 408-8745. *Facsimile*

November 9, 2004



# Exhibit 1



## Universal Service Administrative Company

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September 9, 2004

Indiana Bell Telephone Company  
140 New Montgomery St.  
Room 1909  
San Francisco, CA 94105

Filer 499 ID: 803217

Attn: Robert Ryan

RE: 2000 Form 499-A Revision Rejection

The Universal Service Administrative Company (USAC) has completed a review of the Revised FCC Form 499-A that you submitted for the purpose of revising revenue reported by 803217 Indiana Bell Telephone Company for the period January 1 – December 31, 1999. Based on the information provided, we are unable to accept the revision because it was not filed within one year of the original submission.

**If you wish to appeal this decision with USAC, your appeal must be postmarked no later than 60 days after the date of USAC's rejection letter.** Appeals postmarked after 60 days from the date of this letter will be automatically dismissed.

In the event that you choose to appeal the decision, you should follow these guidelines:

- Write a "Letter of Appeal to USAC" explaining why you disagree with this Form 499-A rejection and identify the outcome that you request;
- Be sure to refer to CC Docket No. 96-45 on all communication with the FCC.
- The appeal must identify the "Legal Reporting Name" and "Filer 499 ID."
- Provide necessary contact information. Please list the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss the appeal with USAC.
- Explain the appeal to the USAC. Please provide supporting documentation.
- Attach a photocopy of the Form 499-A rejection decision under appeal.

- Mail your letter to:  
Letter of Appeal  
USAC  
2000 L Street, NW, Suite 200  
Washington, DC 20036
- Appeals submitted by fax, telephone call, and e-mail **will not** be processed.

The response will indicate whether USAC:

- agrees with your letter of appeal, and approves an outcome that is different from the Form 499-A Rejection Letter; or
- disagrees with your letter of appeal, and the reasons therefore.

If you disagree with USAC's response to your "letter of appeal," you may file an appeal with the FCC within 60 days of the date USAC issued its decision in response to your "Letter of Appeal." Again, please note **your appeal must be postmarked no later than 60 days after the date of the Appeal Decision. Appeals postmarked after 60 days from the date of USAC's response to your appeal will be automatically dismissed.** The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725) are available on the FCC web site ([www.fcc.gov](http://www.fcc.gov)).

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Appeals submitted via the United States Postal Service, should be sent to the address below (For security purposes, hand-delivered or messenger-delivered documents will not be accepted at this Washington, DC address):

Federal Communications Commission  
Office of the Secretary  
445 – 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, DC 20554

Documents sent by hand-delivery or messenger should be sent to the following address:

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9300 East Hampton Drive  
Capitol Heights, MD 20743  
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If you have questions or concerns regarding this letter, please contact Lisa Tubbs at (973) 884-8116 or Christy Doleshal at (973) 560-4428.

Sincerely,

USAC



## Universal Service Administrative Company

---

September 9, 2004

Indiana Bell Telephone Company  
140 New Montgomery St.  
Room 1909  
San Francisco, CA 94105

Filer 499 ID: 803217

Attn: Robert Ryan

RE: 2001 Form 499-A Revision Rejection

The Universal Service Administrative Company (USAC) has completed a review of the Revised FCC Form 499-A that you submitted for the purpose of revising revenue reported by 803217 Indiana Bell Telephone Company for the period January 1 – December 31, 2000. Based on the information provided, we are unable to accept the revision because it was not filed within one year of the original submission.

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If you have questions or concerns regarding this letter, please contact Lisa Tubbs at (973) 884-8116 or Christy Doleshal at (973) 560-4428.

Sincerely,

**USAC**



## Universal Service Administrative Company

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September 9, 2004

Michigan Bell Telephone Company  
140 New Montgomery St.  
Room 1909  
San Francisco, CA 94105

Filer 499 ID: 803220

Attn: Robert Ryan

RE: 2000 Form 499-A Revision Rejection

The Universal Service Administrative Company (USAC) has completed a review of the Revised FCC Form 499-A that you submitted for the purpose of revising revenue reported by 803220 Michigan Bell Telephone Company for the period January 1 – December 31, 1999. Based on the information provided, we are unable to accept the revision because it was not filed within one year of the original submission.

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- Explain the appeal to the USAC. Please provide supporting documentation.
- Attach a photocopy of the Form 499-A rejection decision under appeal.



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Letter of Appeal  
USAC  
2000 L Street, NW, Suite 200  
Washington, DC 20036
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Sincerely,

**USAC**



## Universal Service Administrative Company

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September 9, 2004

Michigan Bell Telephone Company  
140 New Montgomery St.  
Room 1909  
San Francisco, CA 94105

Filer 499 ID: 803220

Attn: Robert Ryan

RE: 2001 Form 499-A Revision Rejection

The Universal Service Administrative Company (USAC) has completed a review of the Revised FCC Form 499-A that you submitted for the purpose of revising revenue reported by 803220 Michigan Bell Telephone Company for the period January 1 – December 31, 2000. Based on the information provided, we are unable to accept the revision because it was not filed within one year of the original submission.

**If you wish to appeal this decision with USAC, your appeal must be postmarked no later than 60 days after the date of USAC's rejection letter.** Appeals postmarked after 60 days from the date of this letter will be automatically dismissed.

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9300 East Hampton Drive  
Capitol Heights, MD 20743  
(8:00 A.M. – 5:30 P.M. ET)

Appeals may also be submitted to the FCC electronically, either by the Electronic Comment Filing System (ECFS) or by fax. The FCC recommends filing with the ECFS to ensure timely filing. Instructions for using ECFS can be found on the ECFS page of the FCC web site. Appeals to the FCC filed by fax must be faxed to 202-418-0187. Electronic appeals will be considered filed on a business day if they are received at any time before 12:00 A.M. (midnight), Eastern Standard Time. Fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 A.M.

If you have questions or concerns regarding this letter, please contact Lisa Tubbs at (973) 884-8116 or Christy Doleshal at (973) 560-4428.

Sincerely,

**USAC**



## Universal Service Administrative Company

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September 9, 2004

Ohio Bell Telephone Company  
140 New Montgomery St.  
Room 1909  
San Francisco, CA 94105

Filer 499 ID: 803223

Attn: Robert Ryan

RE: 2000 Form 499-A Revision Rejection

The Universal Service Administrative Company (USAC) has completed a review of the Revised FCC Form 499-A that you submitted for the purpose of revising revenue reported by 803223 Ohio Bell Telephone Company for the period January 1 – December 31, 1999. Based on the information provided, we are unable to accept the revision because it was not filed within one year of the original submission.

**If you wish to appeal this decision with USAC, your appeal must be postmarked no later than 60 days after the date of USAC's rejection letter.** Appeals postmarked after 60 days from the date of this letter will be automatically dismissed.

In the event that you choose to appeal the decision, you should follow these guidelines:

- Write a "Letter of Appeal to USAC" explaining why you disagree with this Form 499-A rejection and identify the outcome that you request;
- Be sure to refer to CC Docket No. 96-45 on all communication with the FCC.
- The appeal must identify the "Legal Reporting Name" and "Filer 499 ID."
- Provide necessary contact information. Please list the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss the appeal with USAC.
- Explain the appeal to the USAC. Please provide supporting documentation.
- Attach a photocopy of the Form 499-A rejection decision under appeal.

make any revisions to their Form 499-As to correct honest mistakes for fear that they will be liable for any underpayments but receive no credit for overpayments, undermining the integrity of the program.

USAC's policy also would result in substantial over-collection of USF contributions from certain carriers, contrary to the equitable and non-discriminatory requirement in section 254. In the case of SBC, which voluntarily came forward to revise its Form 499-As for 1999 through 2002 and pay \$2.8 million in contributions that it erroneously failed to make due to errors on those forms, USAC's policy would require SBC to contribute almost \$2 million more than it was required to contribute based on its actual revenues. If USAC's policy remains in effect, it will result in significant over-payments of USF contributions over time. Failure to account for these over-payments will distort the program, again contrary to the express statutory requirement that any USF support mechanisms be equitable and non-discriminatory.

#### IV. CONCLUSION

In light of the foregoing, SBC respectfully requests that the Commission direct USAC to accept the revised Form 499-As for 2000 and 2001 (reporting revenues from 1999 and 2000) submitted for Michigan Bell, Indiana Bell and Ohio Bell, and to credit those companies for overpayments of USF contributions during those years.

Respectfully submitted,

SBC COMMUNICATIONS INC.

A handwritten signature in black ink, appearing to read "Christopher M. Heimann", is written over a horizontal line.

CHRISTOPHER M. HEIMANN

GARY L. PHILLIPS

PAUL K. MANCINI

1401 I Street, N.W.  
Washington, D.C. 20005  
(202) 326-8909. *Phone*  
(202) 408-8745. *Facsimile*

November 9, 2004

- Mail your letter to:  
Letter of Appeal  
USAC  
2000 L Street, NW, Suite 200  
Washington, DC 20036
- Appeals submitted by fax, telephone call, and e-mail **will not** be processed.

The response will indicate whether USAC:

- agrees with your letter of appeal, and approves an outcome that is different from the Form 499-A Rejection Letter; or
- disagrees with your letter of appeal, and the reasons therefore.

If you disagree with USAC's response to your "letter of appeal," you may file an appeal with the FCC within 60 days of the date USAC issued its decision in response to your "Letter of Appeal." **Again, please note your appeal must be postmarked no later than 60 days after the date of the Appeal Decision.** Appeals postmarked after 60 days from the date of USAC's response to your appeal will be automatically dismissed. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725) are available on the FCC web site ([www.fcc.gov](http://www.fcc.gov)).

Please be sure to refer to CC Docket No. 96-45 on all communication with the FCC. The appeal must also provide your company's name and Filer ID, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address of the person filing the appeal. Unless the appeal is by ECFS, please include a copy of the decision at issue.

Appeals submitted via the United States Postal Service, should be sent to the address below **(For security purposes, hand-delivered or messenger-delivered documents will not be accepted at this Washington, DC address):**

Federal Communications Commission  
Office of the Secretary  
445 – 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, DC 20554



Documents sent by hand-delivery or messenger should be sent to the following address:

Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capitol Heights, MD 20743  
(8:00 A.M. – 5:30 P.M. ET)

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If you have questions or concerns regarding this letter, please contact Lisa Tubbs at (973) 884-8116 or Christy Doleshal at (973) 560-4428.

Sincerely,

USAC



## Universal Service Administrative Company

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September 9, 2004

Ohio Bell Telephone Company  
140 New Montgomery St.  
Room 1909  
San Francisco, CA 94105

Filer 499 ID: 803223

Attn: Robert Ryan

RE: 2001 Form 499-A Revision Rejection

The Universal Service Administrative Company (USAC) has completed a review of the Revised FCC Form 499-A that you submitted for the purpose of revising revenue reported by 803223 Ohio Bell Telephone Company for the period January 1 – December 31, 2000. Based on the information provided, we are unable to accept the revision because it was not filed within one year of the original submission.

**If you wish to appeal this decision with USAC, your appeal must be postmarked no later than 60 days after the date of USAC's rejection letter. Appeals postmarked after 60 days from the date of this letter will be automatically dismissed.**

In the event that you choose to appeal the decision, you should follow these guidelines:

- Write a "Letter of Appeal to USAC" explaining why you disagree with this Form 499-A rejection and identify the outcome that you request;
- Be sure to refer to CC Docket No. 96-45 on all communication with the FCC.
- The appeal must identify the "Legal Reporting Name" and "Filer 499 ID."
- Provide necessary contact information. Please list the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss the appeal with USAC.
- Explain the appeal to the USAC. Please provide supporting documentation.
- Attach a photocopy of the Form 499-A rejection decision under appeal.

- Mail your letter to:  
Letter of Appeal  
USAC  
2000 L Street, NW, Suite 200  
Washington, DC 20036
- Appeals submitted by fax, telephone call, and e-mail **will not** be processed.

The response will indicate whether USAC:

- agrees with your letter of appeal, and approves an outcome that is different from the Form 499-A Rejection Letter; or
- disagrees with your letter of appeal, and the reasons therefore.

If you disagree with USAC's response to your "letter of appeal," you may file an appeal with the FCC within 60 days of the date USAC issued its decision in response to your "Letter of Appeal." Again, please note **your appeal must be postmarked no later than 60 days after the date of the Appeal Decision.** Appeals postmarked after 60 days from the date of USAC's response to your appeal will be automatically dismissed. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725) are available on the FCC web site ([www.fcc.gov](http://www.fcc.gov)).

Please be sure to refer to **CC Docket No. 96-45** on all communication with the FCC. The appeal must also provide your company's name and Filer ID, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address of the person filing the appeal. Unless the appeal is by ECFS, please include a copy of the decision at issue.

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If you have questions or concerns regarding this letter, please contact Lisa Tubbs at (973) 884-8116 or Christy Doleshal at (973) 560-4428.

Sincerely,

USAC

# Exhibit 2



July 1, 2004

Form 499 Data Collection Agent  
Attn: Christy Doleshal  
80 South Jefferson Road  
Whippany, NJ 07981

Dear Ms. Doleshal,

Enclosed please find revised Telecommunications Reporting Worksheets, FCC Forms 499A for the following entities for 1999, 2000, 2001 and 2002:

- Illinois Bell Telephone Company, Filer ID 803214 (1999 and 2000 only)
- Indiana Bell Telephone Company, Filer ID 803214
- Michigan Bell Telephone Company, Filer ID 803220
- Ohio Bell Telephone Company, Filer ID 803223
- Wisconsin Bell Telephone Company, Filer ID 803226

These revisions are pursuant to the provisions of Section II.E of the Instructions to the Telecommunications Reporting Worksheet, Form 499-A. As per those instructions, attached is an explanation of the cause for the change which shows how the revised figures derive from these Companies' corporate financial records. We are submitting concurrently the Company's payment of \$2.8M to correct the net underpayment resulting from the reporting errors described below.

Please note that we have requested confidential treatment of the enclosed Worksheet by checking the box on Line 604 on each FCC Form 499A submitted. Please contact Bob Ryan at 415-542-5002 or rr1931@sbc.com if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Patrick B. O'Connor".

Patrick B. O'Connor  
Controller  
Illinois Bell Telephone Company  
Indiana Bell Telephone Company  
Michigan Bell Telephone Company  
Ohio Bell Telephone Company  
Wisconsin Bell Telephone Company  
847-248-2127  
po2912@sbc.com

**PAGES REDACTED**

# Exhibit 3



PAGES REDACTED